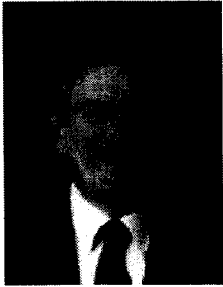
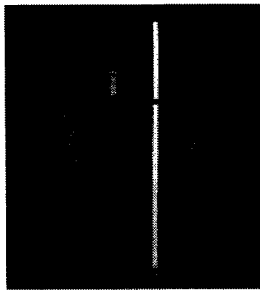


# Latin America Operating Review

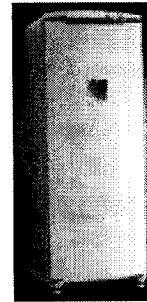


**Paulo F. M. Periquito**  
Executive Vice President and  
President, Latin America

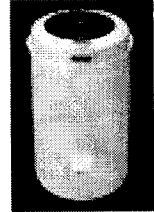
## Significant New Product Introductions:



- The *Brastemp 6th Sense* technology line is a new portfolio of refrigerators, ranges and washing machines - each one with unmatched design, technology and performance. The *Brastemp You* refrigerator, which includes *6th Sense* technology, is the first fully customizable refrigerator in Latin America.



- The *Consul* frost-free refrigerator with water dispensing combines convenience ease of use and an affordable price.



- The new *Consul Séc Fácil* is the brand's first laundry dryer and combines drastically reduced clothes drying time with low energy consumption.

Whirlpool Latin America expanded our market share during 2004, driven by strong consumer demand for our brands, several innovative new product launches and targeted customer loyalty actions.

Regional revenue of \$1.7 billion increased 24 percent compared to 2003. Operating profit of \$65 million declined 27 percent, due primarily to increases in the costs of key commodities and logistics.

Our efforts to drive customer loyalty were most clearly seen in the new innovations and products introduced during the year. For example, we introduced the *6th Sense* appliance control technology in products across the *Brastemp* portfolio of refrigerators, ranges and washing machines. We also brought to market the first customizable *Brastemp* refrigerator that gives consumers the ability to pick the exact colors and features they want.

Innovations from *Consul* brand led to an expanded fabric care line in 2004 with the launch of the brand's first clothes dryer. Other *Consul* brand product introductions included a new water-dispensing refrigerator and *Consul's* first ceiling fan—which extends the brand to other areas of the home.

*Consul* brand unveiled its new brand positioning campaign as part of a loyalty-building initiative that recognizes the importance and decision-making role of women in the home. The campaign presents *Consul* products depicted in the artwork created by four Brazilian female folk artists.

Our Multibrás subsidiary instituted an integrated management system that gives suppliers the information they need to deliver the continual improvements in quality, technology and productivity.

As a key production source for Whirlpool's global manufacturing network, we were particularly proud to receive independent certification of our manufacturing processes in the areas of the environment, health and safety and quality management (ISO 9001, ISO 14001 and OHSAS 18001).

During 2004, our operation exported more than 27 percent of our production to Whirlpool markets worldwide. Through the application of the company's Lean Manufacturing process, our regional manufacturing organization turned in a strong year of productivity.

Whirlpool's Brazil-based compressor operation, Embraco, maintained its global market leadership during 2004, as reflected in a 25-percent market share. The operation also improved its position in the commercial refrigeration segment by introducing 17 new products to the market, including environmentally compliant carbon dioxide compressors.

## Outlook

Whirlpool Latin America expects continued sales growth driven by a moderate increase in overall demand, strong brands and innovative product launches in 2005. Exports will continue to be a priority for the region as we continue to leverage our manufacturing cost and quality position within Whirlpool's global operating platform. We also expect improved profitability based on achieving further price increases and delivering significant productivity gains.

## Awards:

- *Brastemp* was again recognized as one of the most important brands in Brazil in 2004. According to a "Top of Mind" survey compiled by the newspaper *Folha de São Paulo*, the brand ranked fourth for the 14th consecutive year. In the same ranking, *Consul* was the most mentioned brand in the refrigerator category for the 13th year and was among the top three growing ratio brands.
- Multibrás was recognized for the eighth time on the list of "Top 100 Best Companies to Work for" in Brazil, by *Exame*, the major business magazine in Brazil.
- Multibrás was recognized by the *Carta Capital* magazine and the Interscience Informação e Tecnologia Aplicada as one of "The most admired (companies) in Brazil" in the home appliances segment.

- Whirlpool Latin America is a leader in the appliance industry, with a strong focus on innovation and quality.
- The company's commitment to sustainability and social responsibility is a key differentiator.
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**Headquarters:** São Paulo, Brazil

## Manufacturing Locations:

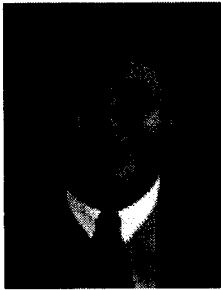
Brazil, Colombia, Mexico, Peru, Venezuela

## Embraco (International)

Canada, China, India, Israel, Mexico, Poland, Spain, Taiwan, Thailand, USA, Venezuela

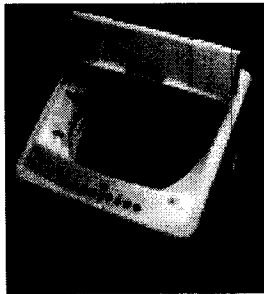
Whirlpool, Washers, Compressors, Dishwashers, Appliances, Dishwashers, Freezers, Dryers, Ranges, Refrigerators, Room Air Conditioners

# Asia Operating Review

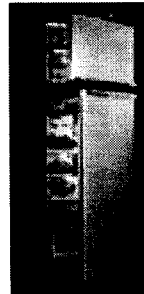


**Mark Hu**  
Executive Vice President and  
President, Whirlpool Asia

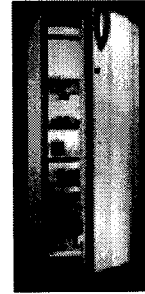
## Significant New Product Introductions:



- The innovative *Whirlpool Mercury* line of high-capacity clothes washers has quickly become one of China's top-selling washers.



- The *Ice Magic* frost-free refrigerator with *6th Sense* technology is the only refrigerator on the Indian market that senses the loss of cold air and lowers the temperature through its dynamic airflow control system.



- Whirlpool India introduced the world's first frost control refrigerator with *6th Sense* technology, a high-capacity, single-door refrigerator that automatically defrosts the freezer.

In 2004, Whirlpool Asia laid the groundwork for future growth and performance improvement by changing a longstanding trade inventory management practice in India.

Last year, we introduced new trade terms to encourage our trade partners to become more efficient and reduce trade inventory levels. Trade partners responded by reducing their excess inventory, which affected sales and profit for the region. Full-year sales of \$382 million decreased 8.2 percent, and operating profit declined significantly from the prior year.

The new trade terms have resulted in more efficient trade inventory levels and a supply chain directly tied to the demands of the market. In addition, the improved distribution efficiency will allow us to more quickly introduce our slate of innovative new products to consumers in the world's fastest-growing region.

Whirlpool Asia introduced a number of innovative appliances last year, including two new frost control refrigerators with *6th Sense* technology in India, and a new line of *Whirlpool Mercury* high-capacity clothes washers in China. For these and other innovative products, *Whirlpool* brand was featured by SUPERBRANDS, a global brand-ranking organization, in its first edition of India's Superbrands.

Whirlpool India is pursuing opportunities to extend the *Whirlpool* brand, a leading brand in clothes washers and refrigerators, to the cooking category. New products that will be featured include cooking ranges, ovens and electric exhaust hoods.

Our manufacturing facilities in India and China have become key procurement and product sources for the Company's global operating platform. Whirlpool Asia technology centers play a significant role in the company's global technology organization, and increasingly serve markets worldwide with efficient manufacturing and innovation. For example, Whirlpool's plant in Shunde, China, is the company's primary manufacturer for microwave ovens globally, while the washer facility in Shanghai has started exporting products to the Middle East. Exports from Whirlpool India increased 18 percent in 2004, adding another 10 national markets to its expanding export network.

## Outlook

For 2005, Whirlpool Asia anticipates strong revenue growth as we introduce new, innovative products and as the company's product distribution network throughout the region continues to expand. Exports from Asia will continue to fuel growth as a significant source for Whirlpool's sales networks.

Price increases have been implemented across the region to address rising material costs. Based on current economic conditions, we expect full-year industry unit shipments to increase 3-to-5 percent.

## Awards:

- Whirlpool Asia's clothes washers were recognized by the Chinese government's product-standard agency as among the best performing, high-quality appliances on the market.
- *Whirlpool* brand was featured by SUPERBRANDS, a global brand-ranking organization, in its first edition of India's Superbrands.

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## Headquarters:

Whirlpool India, Mumbai, India

## Manufacturing Locations:

India: Ahmedabad, Pune

China: Shunde

China: Shanghai, Suzhou

Whirlpool India, Mumbai, India  
Whirlpool India, Mumbai, India  
Whirlpool India, Mumbai, India



## Financial Summary

The following is a summary of the Company's financial condition and results of operations for 2004 and 2003. For a more complete understanding of the Company's financial condition and results, this summary should be read together with the Company's Consolidated Financial Statements and related notes, and the "Management's Discussion and Analysis." This information appears in the Financial Supplement to the Company's Proxy Statement and in the Financial Supplement to the 2004 Annual Report on Form 10-K, both of which are available through the Internet at [www.whirlpoolcorp.com](http://www.whirlpoolcorp.com).

### Executive Level Overview

Whirlpool Corporation is the largest global manufacturer of major appliances worldwide with 2004 revenues of \$13.2 billion and net earnings of \$406 million. The Company's four reportable segments are based on geography and consist of North America (61% of revenue), Europe (23% of revenue), Latin America (13% of revenue), and Asia (3% of revenue). The Company is the market share leader in North America and Latin America and has significant market presence in Europe, India and China.

The Company's growth strategy over the past several years has been to introduce innovative new products, strengthen customer loyalty for its brands, continue to expand its global footprint, add or enhance distribution channels and, where appropriate, make strategic acquisitions which enhance the Company's innovative global product offering.

The Company monitors country economic factors such as gross domestic product, consumer interest rates, consumer confidence, housing starts, existing home sales and mortgage refinancing as key indicators of industry demand. Management also focuses on country, brand, product and channel market share, average sales values, and profitability when assessing and forecasting financial results. The Company intends to leverage its global manufacturing, procurement and technology footprint to strengthen Whirlpool's brand leadership position in the global appliance industry.

### Overall Results of Operations

#### Net Sales

The total number of units sold in 2004 increased 4.9% over 2003. Consolidated net sales increased 8.6% over 2003, which includes a positive impact from currency fluctuations. Excluding currency, net sales increased approximately 6%. Total number of units sold in 2003 increased 5.6% over 2002. Consolidated net sales increased 10.5% over 2002, which includes a positive impact from currency fluctuations. Excluding currency fluctuations and the acquisitions of Vitromatic ("Whirlpool Mexico") and Polar, the total number of units and dollars sold increased approximately 4% and 5%, respectively.

Significant regional trends were as follows:

- In 2004, North American unit volumes increased 4.6% versus 2003 due to higher *Whirlpool* and *KitchenAid* brand growth, combined with strong Canadian performance. Sales improved 4.8% to a record \$8.3 billion. Currency did not materially impact sales comparisons. In 2003, North American unit volumes increased 7.5% versus 2002. Volume increases were driven by the full-year acquisition impact of Whirlpool Mexico, strong performance in Canada and volume gains in *Whirlpool* and *KitchenAid* brands. Excluding the acquisition of Whirlpool Mexico, North American unit volumes increased 5%. The North American net sales increase adjusted for the acquisition and currency impact was slightly greater than growth in unit volumes due to favorable brand mix as well as the introduction of higher sales value innovative products.
- Record European unit volumes increased 4.4%, ahead of industry growth, when compared to 2003, driven largely by strong *Whirlpool* brand performance and expansion of the Company's built-in appliance business. European net sales increased 13.8% and were approximately 3% higher, excluding currency. Overall market share improved due to *Whirlpool* brand performance and the introduction of new products. During 2003, European unit volumes increased 5.1% versus 2002. Excluding the acquisition of Polar, unit volumes increased 4%. Net sales increased 22.4%, due primarily to positive currency impact. Excluding currency impact and the Polar acquisition, net sales increased approximately 3%, lagging unit growth due to marketplace pricing pressures. The region experienced improvement in industry volumes as overall economic indicators and consumer confidence edged up in several key markets within the region.